



## Housing Markets in Mountain West, Midwest Hottest Through End of 2020

*High unemployment and negative job growth plagued weakest housing markets*

NEW YORK – March 3, 2021 – Utah had the strongest housing market in the fourth quarter of 2020, while Hawaii had the weakest, according to Bankrate.com's Housing Heat Index for the 12-month period since December 2019. To measure the strength of state housing markets (including Washington, D.C.) and demonstrate both how they are faring in the coronavirus recession and how they might perform in the future, Bankrate analyzed six public and private datasets all related to a housing market's desirability, including home price appreciation, past-due mortgage payments, job growth, unemployment, cost of living, and taxes. Click here for more information:

<https://www.bankrate.com/mortgages/mortgage-rates/#housing-heat-index>

Utah ranked in the top 5 for home price appreciation (15.39% - 3<sup>rd</sup>) – the index's most important metric – past-due mortgage payments (5.2% - 5<sup>th</sup>), job growth in the 12-month period since December 2019 (0.59% - 2<sup>nd</sup>) and unemployment (3.6% - 5<sup>th</sup>).

Montana, which had the second hottest housing market in the fourth quarter of 2020 was also in the top 5 for home price appreciation (15.5% - 2<sup>nd</sup>), past-due mortgage payments (4.5% - 1<sup>st</sup>) and taxes (5<sup>th</sup>), and in the top 15 for job growth (-2.94% - 12<sup>th</sup>) and unemployment rate (4.4% - 12<sup>th</sup>).

Rounding out the five hottest housing markets in the fourth quarter of 2020 were Nebraska (tied with South Dakota for lowest unemployment rate at 3.0%), Idaho (1<sup>st</sup> in home price appreciation at 21.08% and 1<sup>st</sup> in job growth at .6%), and Indiana (top 11 in every category other than past-due mortgage payments).

"With home prices soaring and remote working the new norm, Americans have been taking a hard look at where they live -- and many have decided to move out of pricey coastal markets," said Bankrate.com analyst Jeff Ostrowski. "States such as Utah, Montana and Idaho have proven especially attractive to Californians leaving the nation's most expensive housing market."

Conversely, Hawaii had both the lowest job growth (-13.78%) in the same period and the highest unemployment rate (9.3%). Hawaii was also at the bottom in home price appreciation (6.14% - 49<sup>th</sup>) and cost of living (49<sup>th</sup>) and at the middle of the pack in past-due mortgage payments (6.78% - 25<sup>th</sup>).

The District of Columbia, the second weakest housing market, had the lowest home price appreciation (1.48%) and ranked in the bottom for unemployment (7.9% - 43<sup>rd</sup>). The District was in the middle for both past-due mortgage payments (6.86% - 27<sup>th</sup>) and job growth (-6.52% - 31<sup>st</sup>) but had the highest cost of living and was among the highest in tax burdens (46<sup>th</sup>).

New York (49<sup>th</sup> in job growth with -10.41%, 48<sup>th</sup> in taxes, and 46<sup>th</sup> in unemployment with 8.2%), Louisiana (50<sup>th</sup> in home price appreciation at 5.86% and last in past-due mortgage payments at 10.71%), and Illinois (47<sup>th</sup> in home price appreciation at 7.68%) round out the bottom five.

### The 5 States with the Hottest Housing Economies:

| State    | Home Price Appreciation Rank* | Past-Due Mortgage Payments Rank* | Job Growth Rank* | Unemployment Rank* | Cost of Living Index Rank* | State-by-State Tax Burden Rank* | Housing Heat Index Reading (overall rank) |
|----------|-------------------------------|----------------------------------|------------------|--------------------|----------------------------|---------------------------------|-------------------------------------------|
| Utah     | 3                             | 5                                | 2                | 5                  | 31                         | 8                               | 6.25 (1)                                  |
| Montana  | 2                             | 1                                | 12               | 12                 | 29                         | 5                               | 7.67 (2)                                  |
| Nebraska | 12                            | 14                               | 6                | 1**                | 22                         | 28                              | 11.67 (3)                                 |
| Idaho    | 1                             | 40                               | 1                | 12                 | 21                         | 20                              | 12.58 (4)                                 |
| Indiana  | 10                            | 36                               | 10               | 11                 | 11                         | 9                               | 14.50 (5)                                 |

### The 5 States with the Coolest Housing Economies:

| State                | Home Price Appreciation Rank* | Past-Due Mortgage Payments Rank* | Job Growth Rank* | Unemployment Rate Rank* | Cost of Living Index Rank* | State-by-State Tax Burden Rank* | Housing Heat Index Reading (overall rank) |
|----------------------|-------------------------------|----------------------------------|------------------|-------------------------|----------------------------|---------------------------------|-------------------------------------------|
| Hawaii               | 49                            | 25                               | 51               | 51                      | 49                         | 38                              | 44.75 (51)                                |
| District of Columbia | 51                            | 27                               | 31               | 43                      | 51                         | 46                              | 41.92 (50)                                |
| New York             | 29                            | 48                               | 49               | 46                      | 37                         | 48                              | 40.58 (49)                                |
| Louisiana            | 50                            | 51                               | 17               | 36                      | 15                         | 42                              | 38.75 (T-47)                              |
| Illinois             | 47                            | 35                               | 35               | 41                      | 19                         | 36                              | 38.75 (T-47)                              |

\*1 denotes the highest or best rank, and 51 denotes the lowest or worst rank

\*\*Nebraska is tied with South Dakota for 1<sup>st</sup> in unemployment

### Methodology:

To calculate the Housing Heat Index for the fourth quarter of 2020, Bankrate analyzed six data points: annual home price appreciation for the fourth quarter as reported by the [Federal Housing Finance Agency's Home Price Index](#), share of mortgages past due for the fourth quarter as reported by the [Mortgage Bankers Association](#), unemployment rate for December from the [U.S. Labor Department](#), annual job growth as of December from the U.S. Labor Department, the [cost of living index](#) for 2020 from the Center for Regional Economic Competitiveness, and state-by-state tax burdens for the 2020-21 fiscal year as reported by the [Tax Foundation](#).

The index double-weights home price appreciation, the metric that most clearly conveys a housing market's desirability. The index half-weights cost of living and tax burden – home prices can soar despite those factors, but a new wave of remote work makes those factors more relevant than they were in the past. All six metrics are then averaged for an overall reading on the Housing Heat Index.

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